



# Federal Emergency Rental Assistance Program (ERAP)

## *Direct Payment to Tenant Policy (Landlords)*

July 21, 2021

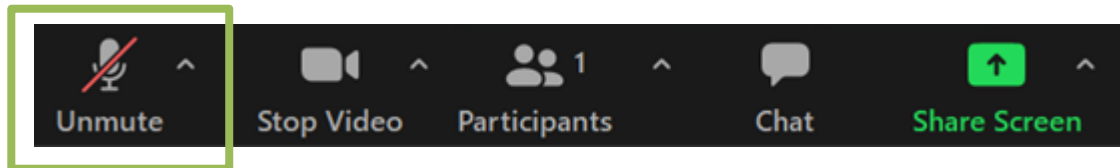
Last Updated: 7/14/2021

# ENGAGEMENT BEST PRACTICES



## Please Mute

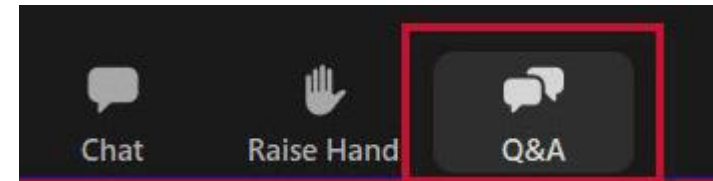
Please join the meeting muted during the session to keep interruptions to a minimum



## Asking Questions

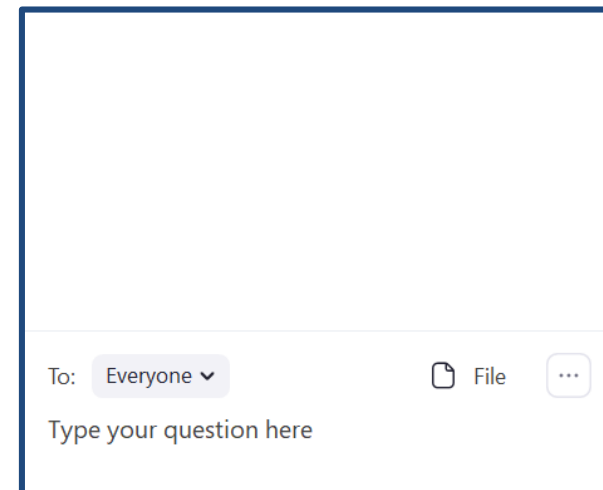
We will be monitoring the Q&A for questions

1



Click “Q&A” to open the chat window

2



Enter your question into the chat

*We will follow up with answers to any questions that we don't get to during the session.*

# THIS CALL IS BEING RECORDED





# WELCOME

# MEET YOUR FACILITATORS



**Amy Mullen**



**Roberta Rubin**



**Amy Stitely**



**Rosalind Creswell**

## TRAINING SUPPORT

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Accenture



# Our Journey Today

60 MINUTES



**Welcome, Goals, & Objectives**

**10 mins**



**ERAP Policy Overview**



**Direct Payment to Tenant Policy Overview**

**25 mins**



**Termination of ERAP Benefits**



**Community Mediation**



**Questions**

**20 mins**



**Policy Reminders, Next Steps, & Resources**

**5 mins**

## Purpose



Review the **new ERAP direct tenant payment policy** and provide an understanding of the criteria, process, and roll out

## Goal



Provide landlords with guidance to understand the **direct tenant payment process**

# ERAP Good News Highlights (1 of 2)



## Rental Assistance Programs

Data source: Commonwealth of Massachusetts EOHD  
Data date range: 1/1/2020 - 6/30/2021  
Last updated: 7/15/2021

Choose a Reference Date

Start of MA COVID-19 State of Emergency

Households Served



Funds Distributed

32,197

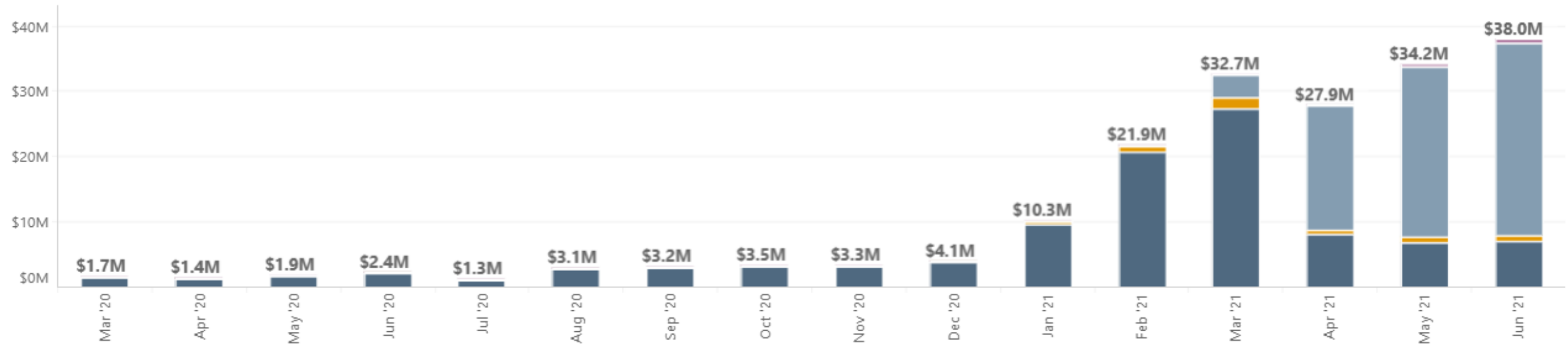
Total # of Unique Households Served

\$190.9M

Total Amount of Funds Distributed

### Funds Distributed by Month

RAFT ERMA ERAP SHERA



1) The "Households Served by Month" view displays the number of unique households served within each month. There may be duplicate households across months if they receive multiple payments.

2) Funds Distributed is calculated only with direct assistance to households and does not include administration fees.



# ERAP Good News Highlights (2 of 2)



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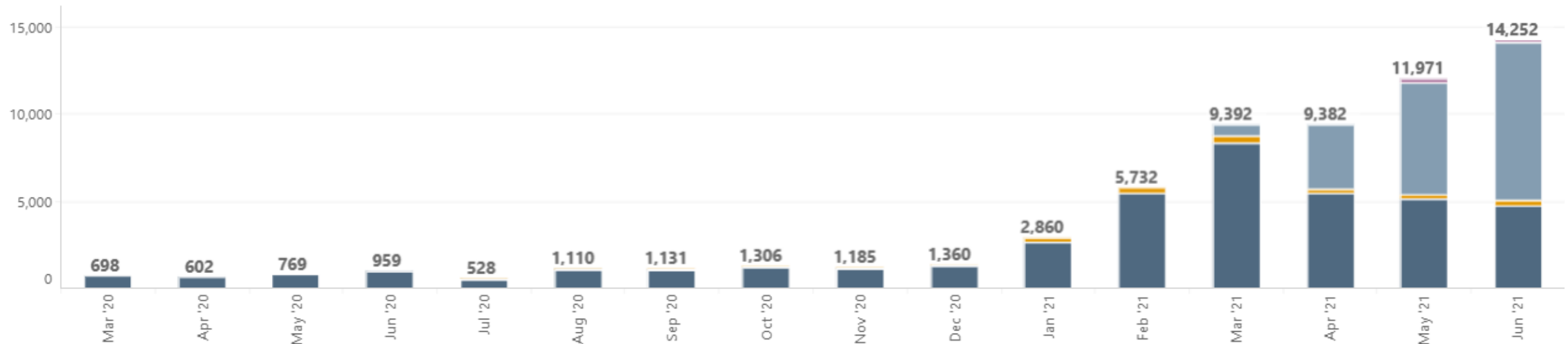
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### Households Served by Month

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# FEDERAL EMERGENCY RENTAL ASSISTANCE PROGRAM (ERAP) OVERVIEW

The Federal **Emergency Rental Assistance Program (ERAP)** is a federally funded emergency housing assistance program for renters impacted by COVID-19

**Massachusetts DHCD has received \$768M use-it-or-lose-it federal emergency rental assistance dollars.**

**Tenants must meet the eligibility criteria below to be served through ERAP**



**COVID-19 impact**



**Risk of homelessness or housing instability**



**Currently renting or moving into a new rental housing**



**Income at or below 80% [Area Median Income \(AMI\)](#)**



# RAFT VS. ERAP OVERVIEW



RAFT	ERAP
<b>Who is Eligible?</b>	
Renters and homeowners at <b>50%</b> Area Median Income	Renters at <b>80%</b> Area Median Income
<b>What is the Benefit?</b>	
<p>Up to \$10,000 in rental, mortgage, and utilities assistance within 12 months</p> <p>On January 1, 2022, the maximum RAFT assistance will be up to \$7,000 within 12 months</p>	<p>Up to 18 months of arrears (<i>accrued after 3/13/2020</i>).</p> <p>Applicants are eligible for up to 18 months total assistance, although future rent assistance (stipend payments) are only issued 3 months at a time.</p>
<b>What does the Benefit Cover?</b>	
Overdue or future rent or mortgage costs, utilities and moving expenses	Overdue or future rent costs, tenant-paid utilities and moving expenses



**ERAP provides a maximum of 18 months' worth of assistance including stipends (3 months at a time).**

There is no dollar cap on ERAP funds, but households cannot receive more than the monthly contract rent amount for any month.

## **ERAP may be used on the following expenses:**

### **RENT ARREARS**

- ☐ May be used for rent due on or after March 13, 2020
- ☐ Cannot cover a period exceeding 18 months
- ☐ For renters with income-based subsidy, can only cover tenant's portion of rent

### **FUTURE RENT (STIPENDS)**

- ☐ Rent stipends may be paid for rent due after the time of the application, but will **only approved in 3-month increments**
- ☐ If the tenant has rental arrears, at least **a portion of the arrears must be paid** for the applicant to receive an ERAP stipend
- ☐ ERAP stipends will pay for **100%** of the household's **full monthly rent amount**
- ☐ Tenant will need to **recertify need at end of every 3-month period of stipends** in order to receive more
- ☐ Renters with income-based rental subsidies are not eligible for stipends, because subsidy payments are already being made and rent is already affordable based on actual household income



**ERAP may also be used to pay the following expenses:**

## UTILITY ASSISTANCE

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- ☐ Maximum of \$1,500 per household to pay for:
  - ☐ Tenant-paid utility arrears, dating back to March 13, 2020, including:
    - ☐ Electricity
    - ☐ Gas
    - ☐ Water/Sewer
  - ☐ One delivery of tenant-paid heating fuel, such as oil, propane, wood pellets

## MOVING RELATED EXPENSES

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- ☐ First and last month's rent, security deposits, moving trucks, and furniture payments up to \$1,000

**Households with an income-based local, state or federal subsidy for their rent, such as Section 8 or MRVP, are:**

- ✓ Eligible for arrears only
- ✓ Eligible for up to 18 months of arrears payments
- ✓ Eligible for moving expenses and utilities
- ✗ Not eligible for stipends



**Currently, landlords owning up to 20 units are eligible to apply** for assistance directly on behalf of their tenants through the Landlord Application



All landlords are able to **support their tenants** in applying for assistance



**Qualified landlords of affordable rental housing and Local Housing Authorities can apply for SHERA** which provides an expedited path to apply for federal Emergency Rental Assistance on behalf of income-eligible tenants.



DHCD, in partnership with the RAAs, is in the process of implementing a Central Application. Part of that application will be a universal Landlord Application with no restrictions on the number of units the owner has.





# ERAP DIRECT PAYMENT TO TENANT POLICY OVERVIEW

# ERAP DIRECT PAYMENT TO TENANT OVERVIEW



**Since June 28, 2021, RAAs must pay tenants directly for ERAP rental payments that would otherwise be paid directly to the landlord (arrears, stipends, security deposits, etc.) if the landlord is unresponsive, fails to cooperate by providing required documentation, or refuses in writing to participate**

## **ARREARS**

- Arrears payments to tenants are limited to a maximum of \$15,000. In situations where tenant arrears exceed \$15,000, ERAP will only cover 100% of arrears if the payment is made to the landlord

## **OTHER COSTS**

- There is no dollar cap on direct tenant payments for other costs (stipends, first/last month's rent, or security deposits) that would normally be paid to the landlord

**Before issuing direct payment to a tenant, RAAs and the Rental Assistance Processing (RAP) Center must attempt to pay the landlord first in all cases.**

***Eligibility criteria still needs to be met in order to direct payments to tenants***

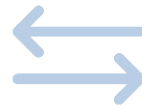
# ERAP DIRECT PAYMENT TO TENANT OVERVIEW (CONT'D)



## As with all ERAP benefits



Stipends are capped at the amount equal to the monthly contract rent



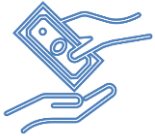
Stipend commitments cannot exceed three months without reapplication or recertification



Stipend payments are scheduled for each month due (*not paid in a lump sum*)

### ***ERAP eligibility requirements still must be met:***

- *80% AMI, COVID Impact*
- *Risk of Homelessness/Housing Instability*
- *Currently Renting or Moving to a New Rental*
- *18 Month Limit*

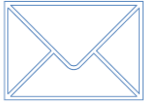


Before issuing direct payment to a tenant, Regional Administering Agencies (RAA's) and the Rental Assistance Processing (RAP) **MUST attempt to pay the landlord first in ALL cases**

**Per U.S. Treasury guidance, tenant payment must be made when the landlord:**

- Is non-responsive or fails to provide required documentation after **7 days** to a letter sent via certified US postal mail with return receipt requested
- Is non-responsive or fails to provide required documentation in response to **3 phone, email, or text messaging** attempts **over 5 days**; OR
- **Confirms** in writing that they **are refusing to participate** in a rental assistance application.

In all such cases, the RAA will inform the landlord that payments to tenants may be in a lesser amount than if the landlord receives payment directly and that refusal to participate in ERAP may constitute a violation of state antidiscrimination laws.



**All emails or letters to the landlord requesting Property Owner documentation or participation will include the following language:**

“You should be aware that refusal of emergency rental assistance *may, under some circumstances*, violate Chapter 151B of the Mass. General Laws, which prohibits discrimination against a tenant receiving housing subsidies.

In addition, if you, as landlord, do not respond to this communication by [DATE] or refuse to accept this emergency rental assistance, then our agency may issue a payment directly to the tenant. Any payment to the tenant for arrears shall not exceed \$15,000.”



**Text messages will include this language:**

“Refusing to accept rental assistance may be a violation of Massachusetts law that prohibits discrimination. If you do not respond by [DATE], assistance may be paid to the tenant directly.”



## LANDLORD OUTREACH

- At least one outreach by telephone, followed by subsequent text messages or emails
- If the tenant does not have email or cell phone contact information for the landlord, or if the landlord's voicemail is full, then the RAA must contact the landlord via letter by certified mail



## NEW DUE DILIGENCE PROCESSES

- Require **face-to-face meeting** (virtual or in person) between tenant and RAA before funds can be issued to the tenant
- Require **public records check** by RAA to confirm that the landlord listed on tenant application is actually the owner of the property
- Require new outreach attempts to landlord if tenant returns for additional assistance



## TERMS OF FUNDING AGREEMENT LETTER

RAA must require the tenant to sign letter (provided by DHCD) outlining program requirements/expectations and payment details. RAA must transmit the signed letter to both the tenant and landlord.

# TERMS OF FUNDING AGREEMENT LETTER



- **Tenant must sign this letter before being paid directly through ERAP**
- **The Terms of Funding Agreement letter outlines program requirements and expectations, namely:**
  - ☐ Payment must be returned to the RAA if the landlord doesn't accept it
  - ☐ Payment must be returned to the RAA if the tenant fails to pay the landlord within 30 days of signing agreement
  - ☐ Tenant may not use the funds to pay other costs, even if those costs are also housing-related
  - ☐ Landlord must provide a receipt for payment made by tenant if requested by tenant, RAA and/or DHCD.

## § **The Terms of Funding Agreement letter also includes:**

- ☐ The amount of the payment
- ☐ The address of the unit it is paying for
- ☐ The intended use of the payment (i.e., arrears, stipends)
- ☐ A sample **receipt of payment**

SAMPLE WRITTEN RENT RECEIPT EXAMPLE FOR LANDLORDS

ERAP RENT PAYMENT RECEIPT

DATE OF PAYMENT: \_\_\_\_\_

ACCOUNT NUMBER (IF APPLICABLE): \_\_\_\_\_

RECEIVED FROM (Tenant First and Last Name): \_\_\_\_\_

FOR THE SUM OF (Amount of ERAP payment): \$ \_\_\_\_\_

FOR RENT AT (Complete tenant address, Street Name, Unit / Apt #, City, Zip Code): \_\_\_\_\_

FOR THE PERIOD (Rental payment period covered in months): \_\_\_\_\_

RECEIVED BY (Landlord/Property Owner Name): \_\_\_\_\_

LANDLORD/PROPERTY OWNER ADDRESS (Complete landlord/property owner address): \_\_\_\_\_

PAID BY:

<input type="checkbox"/> Check No. _____	<input type="checkbox"/> Money Order
<input type="checkbox"/> Cash	<input type="checkbox"/> Bank Transfer
<input type="checkbox"/> Online	<input type="checkbox"/> Other: _____

\_\_\_\_\_  
Landlord Signature

**Payment Receipt Sample**

# TERMS OF FUNDING AGREEMENT LETTER



The purpose of the agreement letter is to **formalize the agreement with the tenant**, and outline the terms and expectations for landlord and tenant

## Landlord Rights and Responsibilities

- Upon request from the Tenant, RAA, and/or DHCD, the Landlord must provide receipt of payment of rental arrears and/or ongoing rent.
- If the Tenant fails to make a payment of rental arrears and/or ongoing rent within 30 days of signing this Agreement, the Landlord may contact the RAA to report delinquency.
- In cases where the Tenant fails to make the required rent payment within 30 days of signing this Agreement, and delinquency is confirmed by the RAA, the Landlord has the right to begin the eviction proceedings for non-payment of rent.
- Landlord must return to the RAA any duplicate payment of federal emergency rental assistance (assistance for the same tenant covering the same month of rent).

Massachusetts Department of Housing and Community Development

Commonwealth of Massachusetts Emergency Rental Assistance Program (ERAP)

TENANT DIRECT PAYMENT TERMS OF FUNDING AGREEMENT

The Massachusetts Department of Housing and Community Development (DHCD) and the Regional Administering Agency (RAA) intend to provide financial assistance directly to the Tenant named below, in accordance with federal guidance for the Emergency Rental Assistance Program (ERAP). This assistance can only be used for the specific expenses named below and related to the tenancy at the Rental Address listed below. The funds are intended to stabilize the tenancy. DHCD and the RAA will only provide assistance if Tenant signs this agreement.

(Regional Administering Agency)  
(Regional Administering Agency Address)  
(RAA Point of Contact Name)  
(RAA Point of Contact Email)  
(RAA Point of Contact Phone Number)

Date of Award \_\_\_\_\_

Tenant Name \_\_\_\_\_

Tenant Phone \_\_\_\_\_

Tenant Email \_\_\_\_\_

Rental Address \_\_\_\_\_

Property Owner (Landlord) Name \_\_\_\_\_

Property Owner Phone \_\_\_\_\_

Property Owner Email \_\_\_\_\_

Property Owner Address \_\_\_\_\_

Approved Payments:

Award breakdown (completed by RAA; check "N/A" for not applicable portions)

Rental Arrears (\$15,000 maximum): \$ _____ <input type="checkbox"/> N/A	
<div>Future Rent Stipends (3 months maximum)</div> <div>Month: _____ Amount: \$ _____ <input type="checkbox"/> N/A</div> <div>Month: _____ Amount: \$ _____ <input type="checkbox"/> N/A</div> <div>Month: _____ Amount: \$ _____ <input type="checkbox"/> N/A</div> <div>SUBTOTAL STIPENDS \$ _____ <input type="checkbox"/> N/A</div>	<div>Start-up Rental Costs (if any)</div> <div>Security Deposit \$ _____ <input type="checkbox"/> N/A</div> <div>First Month's Rent \$ _____ <input type="checkbox"/> N/A</div> <div>Last Month's Rent \$ _____ <input type="checkbox"/> N/A</div> <div>SUBTOTAL START-UP COSTS \$ _____ <input type="checkbox"/> N/A</div>
Total Rental Assistance Award \$ _____ <i>Total of arrears, future rent stipends and start-up costs as applicable</i>	

DHCD ERAP Direct Payment to Tenant Letter

Revised June 2021

By accepting ERAP funds, the tenant acknowledges and accepts the following terms:

- I certify that I am the tenant residing in the Rental Address listed above or that this is my most recent permanent address where I owe arrears.
- I certify that by accepting these funds:
  - I will use the funds only to pay any rental arrears and/or ongoing rent (whichever payments are specifically approved by the RAA) at the above Rental Address to my landlord.
  - I will make payment within 30 days of signing this Agreement and will pay any future ongoing rent paid to me through ERAP when due.
  - I will notify the RAA within 7 days of refusal if the landlord refuses to accept the rental payment covered by these funds, or if the landlord refuses to give me a receipt.
  - I will notify the RAA if I move or if there are any other changes in my tenancy.
- I understand that I must request a receipt from my landlord to verify that the funds have been paid and I must keep a copy of it for future audits or other inquiries.
- I certify that I am not receiving any other private or public subsidy for rental assistance for the Rental Address for the time period covered by this assistance.
- I understand that my landlord will receive a copy of this letter notifying them that I received this award for rent payment.
- If I receive a monthly rental assistance payment for ongoing rent and my tenancy is terminated before the month that rental assistance payment is intended to cover, I agree to return the unused balance of said funds to the RAA.
- I understand that the Massachusetts Department of Housing and Community Development (DHCD) or the RAA may conduct periodic audits to verify that the entire assistance is used to make payments to the landlord for the Rental Address.
- I understand that DHCD or the RAA may later request a copy of a rent receipt, proof that I am current on rent, or that I used these funds to pay my rent to my landlord for the Rental Address. If a receipt is requested, it should be produced within five days of such a request. If unable to produce such a receipt within five days, I will be required to return the funds within seven days.
- I have read and understand the Landlord Rights and Responsibilities listed below.
- I understand that providing false information or making false statements, or failure to use the funds to pay rental arrears and/or ongoing rent at the Rental Address, may result in:
  - Criminal and/or civil proceedings being brought against me in a court of law.
  - The RAA and DHCD recapturing the funds.
  - Disqualification from future ERAP assistance and/or other federal or state rental assistance programs.

Tenant Signature: \_\_\_\_\_

Tenant Name: \_\_\_\_\_ Date Signed: \_\_\_\_\_

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DHCD ERAP Direct Payment to Tenant Letter

Revised June 2021





# TERMINATION OF ERAP BENEFITS

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**If the landlord contacts the RAA and says the tenant did not make a payment, the RAA will send a termination of assistance letter to both parties explaining that:**

- ✓ Payment was made to tenant, but due to dispute over whether landlord was paid, all ERAP will be terminated
- ✓ Termination can be avoided if, within 7 days, tenant returns payment to RAA, or proof of payment is provided
- ✓ If rent remains unpaid, the landlord has the right to evict for nonpayment
- ✓ Tenant retains the right to an administrative review at the RAA
- ✓ DHCD will review cases where violations occur on either side and determine whether to refer the matter for criminal prosecution or civil penalties

# TERMINATION OF ERAP BENEFITS



## Dispute Process

- If landlord contacts RAA claiming tenant has not made a rent payment, check client file to see if 30 days have gone by since agreement was signed
  - If **under 30 days**, discuss with landlord that tenant has 30 days, and to call back on [date] if they have still not received a payment
  - If **over 30 days**, explain to landlord that a termination of benefits letter will be issued to both parties, and the tenant has 7 days to return funds or provide proof of payment
- After validating that a tenant violation appears to have occurred, RAAs will:
  - Stop all planned future payments/stipends to the tenant
  - Terminate eligibility for future ERAP recertifications/applications
- If either party appears to have engaged in fraudulent conduct, RAAs will contact the DHCD Fraud Hotline



# COMMUNITY MEDIATION

# What is Community Mediation? (and what it isn't)



*Trained mediators can help landlords and their tenants find a workable solution for everyone*

Mediation is a **voluntary** and **confidential** process facilitated by a **neutral** third party (the mediator) who prioritizes self-determination and informed consent of the parties to reach a **mutually agreeable** outcome or progress towards one.

## ***It is not:***

- Adjudicatory: the mediator does not take sides, make recommendations or direct the parties
- A reluctant compromise: parties find out what is most important to them and how best to achieve it

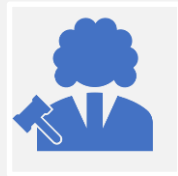
# When to Access Mediation?



## Any time!



As soon as there is a problem – before people get too escalated, entrenched, fearful



Prior to filing a NTQ  
- avoids costs and implications of going to court



After filing an NTQ but before hearing – final chance to build in flexible outcomes and access other resources that may not be available on day of trial



Day of trial – final chance to have a say on the outcome that works for everyone rather than a win/lose of a court judgment



After trial if other outstanding matters may still affect the tenancy – issues like communication, behavior that also need to be resolved

# Why Should I Choose Community Mediation?



**Free** and faster alternative to court action

- 100% of participants surveyed thought the process was fair
- 441 cases handled (November '20 - May '21)

High rate of success

- Settlement rate 79.4% of completed cases

No tenant income eligibility limit for services

- Available to all community members and at any stage in process

Allows for flexible and creative outcomes

- 95.35% satisfied with how their problem was handled.

Can help with ongoing communication or relationship issues

- Mediation participant – *“I have other summary process matters pending with the Court and will advise the clients to pursue mediation to resolve the dispute.”*

**Mediations can be held by phone, online via Zoom or in-person at some Centers**

Visit [www.resolutionma.org/housing](http://www.resolutionma.org/housing) to learn more.







# QUESTIONS

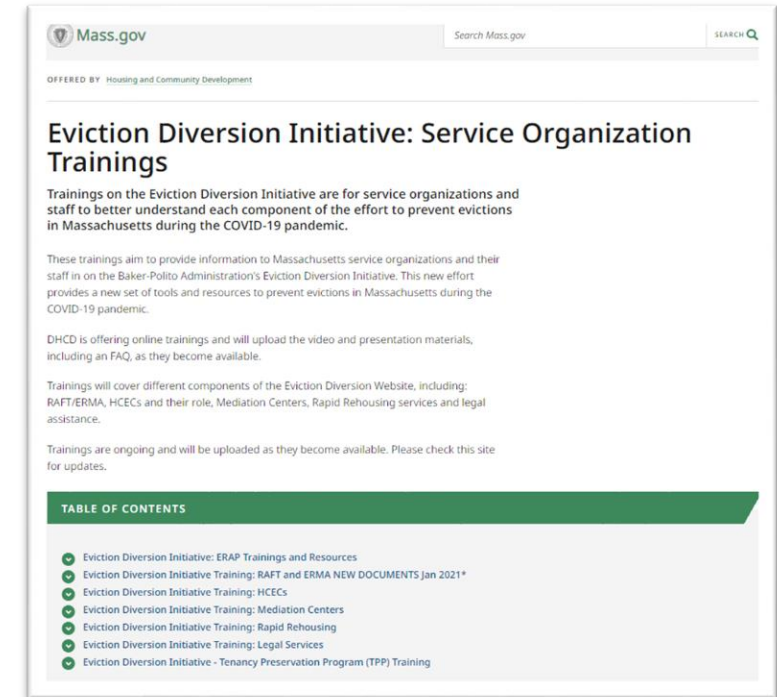


# RESOURCES & NEXT STEPS

1 **DHCD Website**  
Visit the [DHCD Landlord Landing Page](#) for more information on ERAP

2 **Meeting Materials**  
A recording of this session will be shared and uploaded to the [EDI Portal](#)

3 **Community Mediation**  
Local non-profits are available to help landlords and tenants resolve disputes.  
<https://www.resolutionma.org/housing>





THANK YOU!